



# COLUSA USD

SB50 State School Facility Funding Opportunities



# Status of Proposition 51 Bond Funds for K-12

November 2016 Statewide Ballot Measure					
Authorized \$7 billion in General Obligation Bonds for K-12 School Districts					
As Of May 31, 2018					
	New Construction	Modernization	Charter School	Career Technical Education Facilities Program (CTEFP)	Total General Obligation Bonds
General Obligation Bonds Approved	\$3,000,000,000	\$3,000,000,000	\$500,000,000	\$500,000,000	\$7,000,000,000
Apportionments	\$0.43 Billion	\$0.3 Billion	\$500,000,000	\$500,000,000	
OPSC Workload List Requests	\$2.2 Billion	\$1.5 Billion	\$500,000,000	\$125,000,000	
<b>Estimated Available General Obligation Bond Funds</b>	<b>\$0.37 Billion</b>	<b>\$1.2 Billion</b>	<b>-</b>	<b>\$375 Million</b>	

- The Charter School filing round closed June 5, 2017. Applications submitted to OPSC exceed available bond authority.
- \$125 million for CTEFP was available in the 1st round. The 2nd round deadline is October 19, 2018 for \$125 million. The 3rd round will be announced at a later date.
- Based on current projections, the Office of Public School Construction (OPSC) predicts that sufficient Applications for SFP new construction funding will be received by October 2018 to account for all available new construction bond authority and by September 2019 for modernization bond authority.



# Potential State School Facility Funding Sources

- New Construction 50/50 (State/Local)
  - *Minimum Essential Facilities*
- Modernization 60/40 (State/Local)
- Facility Hardship (project specific funding)
- Seismic Mitigation 50/50 (State/Local)
- Career Technical Education Facilities Program 50/50 (State/Local)
- Financial Hardship



# NEW CONSTRUCTION AND MODERNIZATION

CUSD Eligibility





# New Construction Program

- Provides State funds on a 50/50 (state/local) basis.
- Local funds may include, among other sources, local general obligation bonds & developer fees.
- Funding based on need to provide housing for projected unhoused students.
- Unhoused students are based on 5 or 10 year enrollment projection in comparison to District capacity.
- A newly adopted regulation (January 25, 2018) requires districts to submit an updated Enrollment Certification/Projection (Form SAB 50-01) within 90 days of OPSC notification that it will begin processing the district's application for funding.
  - *School districts may not ask for more eligibility, but the eligibility can be reduced.*
  - *If a district does not have eligibility at the time the application is picked up the project may not receive funding.*
  - *Currently OPSC is processing applications from 2014.*
- Current regulations allow small school districts (less than 2,500 students) to request a three-year lock using enrollment figures from the year in which the eligibility application is submitted, if the district makes the request prior to OPSC's notification that it will soon begin to process a funding application.
  - *For example, 2017-18 enrollment year eligibility is submitted, the SAB approves it in 2019, and the eligibility is locked in until Oct. 31, 2022. (The State's expiration date is always on Oct. 31st of a year.)*



# Minimum Essential Facilities

- Funded from New Construction
- Eligibility is based on the size of ancillary facilities (cafeteria, gymnasium, multi-purpose room, library, administration, toilets) and whether their size meets the Minimum Essential Facilities guidelines at the State.
- Calculations are based on the number of pupils and the required minimum essential facilities sq. ft. per pupil, by ancillary facility type.
- Funding is project specific.



# Modernization Eligibility

- Provides State funds on a 60/40 (State/Local).
- Local funds may include, among other sources, local general obligation bonds & developer fees.
- Funding based on pupils housed in portable classrooms over 20 years old and permanent classrooms over 25 years old.
- Modernization eligibility does NOT expire and is reimbursable.
- For modernization “Like for Like” replacement projects, you need demolition plans, though a District is not required to demolish the classrooms being replaced.
  - *These classrooms may be utilized in some other non-classroom purpose (bookroom, storage, teacher workroom, etc.). They may never be used as classrooms again.*



# Facility Hardship

- The Facility Hardship program assists districts with funding when it has been determined that the district has a critical need for pupil housing because the condition (or lack of) facilities, presents an imminent threat to the health and safety of the pupils.
- These projects are immediately processed by OPSC, typically within 90-120 days.
- Requires:
  - *Department of State Architect approved plans and specifications.*
  - *Engineer report confirming the imminent health and safety threat.*
  - *Letters of concurrence from a State agency(s) (DSA, CGS, etc. depending on the project type).*
- Two types of projects:
  - *Replacement (funded from New Construction)*
    - Cost to mitigate the health and safety threat is greater than 50 percent of the cost of replacement.
  - *Rehabilitation (funded from Modernization)*
    - Cost to mitigate the health and safety threat is less than 50 percent of the cost of replacement.





# CAREER TECHNICAL EDUCATION FACILITIES PROGRAM





# Career Technical Education Facilities Program

- \$125 million available for 5th funding cycle (\$250 million remaining for future cycles 2019 and beyond)
  - *Deadline for submitting grant application is October 19th, 2018.*
  - *\$3 million State match for New Construction (6 million grant cap).*
  - *\$1.5 million State match for Modernization (3 million grant cap).*
  - *Matching share requirement, dollar for dollar (50/50).*
- Any facilities or equipment constructed or purchased after May 2006 may qualify for reimbursement.
- Districts may apply for a Reservation of Funds for 12 months if grant is approved.
- Districts may apply for a long-term (10-year), low-interest loan to cover State match.
- New Construction or Modernization/Reconfiguration projects at comprehensive high schools.
  - *Can be combined with a qualifying SFP project (New Construction or Modernization).*
  - *Funds facilities and equipment.*
  - *Match cannot come from State or Federal programs (Ag Incentive Grant, CTEIG, Perkins, etc.)*
- Maximum score of 141, lowest to compete is 105.
  - *Sorted by Urban, Rural, Suburban.*
  - *Colusa High School (Suburban).*



# SEISMIC MITIGATION





# Seismic Mitigation Program

- Funded from New Construction bond monies.
- Projects move to the front of the queue.
- The facility must be a Category 2 building that qualifies as determined by DSA either by the existence of (1) a facility that has a collapse potential due to seismic deficiencies and ground shaking factors and/or (2) a facility that has collapse potential due to faulting, liquefaction, or landslide.
  - *A preliminary review of the AB300 list demonstrates all buildings at CUSD may be Category 2 buildings.*
- All SMP projects are funded on a 50/50 state and local match basis. The only exception is when a district obtains financial hardship status; then the project may receive up to 100 percent state funding.



# FINANCIAL HARDSHIP





# Financial Hardship

- Financial Hardship provides additional funding of up to 100% of a district share for a School Facility Program eligible project where the district is unable to provide its matching share of the project costs.
- To be considered eligible for FH, a district must be currently levying the maximum allowable developer fee AND meet one of four conditions:
  - *Have a current bonded debt that is 60% or more of district debt capacity, or*
  - *Have had a successful registered voter bond election for at least the maximum amount allowed under Proposition 39 within the previous two years from the date of request for financial hardship status, or*
  - *Be a County Office of Education, or*
  - *Have a debt capacity of \$5 million or less at the time of the request for financial hardship status*
- If the district is determined to not meet any of the criteria above by a Phase I review by OPSC, the district may submit an appeal to the State Allocation Board (SAB) under other evidence of reasonable effort.



# CUSD OPPORTUNITIES FOR STATE FUNDING & POTENTIAL FACILITY MASTER PLAN





# Important Consideration

- While there are nearly enough New Construction applications submitted to the State to exhaust Prop 51 bonding authority, it is important to consider the State is processing applications from 2014, and both Seismic and Facility Hardship applications are moved directly to the front of the application processing queue.





# Opportunities for State Funding

- Modernization reimbursement.
  - *For previous capital facilities projects.*
- Facility Hardship/Seismic Mitigation
  - *Administration building.*
  - *Other potential projects.*
- Career Technical Education Facilities Program Grants
- New Construction
  - *Minimum Essential Facilities.*
- Seismic Mitigation
  - *All buildings at CUSD appear to be Category 2 and may qualify for the SMP.*
- Financial Hardship
  - *State funding at 100% if District qualifies.*



# Facility Master Plan

- Facility Master Plan may include:
  - *Demographic Analysis*
  - *Enrollment Projections (including impact from new development)*
  - *Facility Capacity*
  - *Facility Condition*
  - *Funding Eligibility*
  - *Options*
  - *Timeline*



# Next Steps

- Calculate New Construction and Modernization eligibility applications for approval by the State.
  - *Need to obtain 1A diagrams and site maps for each facility to include square footage of each space, current room use, age of each building, and dates of modernization (if applicable).*
- Once calculated, present eligibility to Board and District staff and continue discussions and decisions regarding moving forward with Facility Master Planning, potential Modernization reimbursement, New Construction (Facility Hardship projects), CTEFP, Seismic Mitigation.



# THANK YOU.

Questions?

